

**REMARKS**

This Application has been carefully reviewed in light of the Office Action dated August 31, 2007. At the time of the Office Action, Claims 1-52 were pending in the Application. In the Office Action, the Examiner rejects Claims 1-52. Applicants traverse these rejections and request reconsideration and favorable action in this case.

**Section 102 Rejections**

Claims 1-4, 6-13, 15-17 and 19-26 were rejected under 35 U.S.C. § 102(b) as being anticipated by U.S. Patent No. 7,172,508 B2 issued to Simon et al. ("Simon"). Applicants traverse this rejection and respectfully request reconsideration and allowance of these claims.

*Simon* fails to support the rejection of Claim 1 for several reasons. First, *Simon* fails to teach, suggest, or disclose "receiving one or more first type of bets, each first type...comprising a bet that the total number of units earned by a particular participant over a course of a plurality of events will fall within a first range of numbers" as recited in Claim 1. Second, *Simon* fails to teach, suggest, or disclose "determining the total number of units earned by the particular participant based at least in part on the positioning of the particular participant in each of the plurality of events" as recited in Claim 1.

First, *Simon* fails to teach, suggest, or disclose "receiving one or more first type of bets, each first type...comprising a bet that the total number of units earned by a particular participant over a course of a plurality of events will fall within a first range of numbers" as recited in Claim 1. In rejecting Claim 1, the Office Action cites a portion of *Simon* that describes a hierarchical betting system that allows a user to wager on whether a particular batter will be "safe", will be "out", will get a "hit", will hit a "single", will hit a "double", or will hit a "home run." (Col. 18, ll. 29-50). *Simon* explains that, if the particular batter hits a "home run", then "safe", "hit", and "home run" will be considered winning choices. (Col. 19, ll. 11-15). Thus, *Simon* allows a user to wager on the outcome of a particular at-bat in a baseball game. A bet on the outcome of a particular at-bat, however, does not teach, suggest, or disclose a "total number of units earned by a particular participant over a course of a plurality of events" as recited in Claim 1. (Emphasis added). Furthermore, a prediction regarding a particular at-bat does not teach, suggest, or disclose "a first range of numbers" or "a bet that the total number of units earned by a particular participant over a course of a

plurality of events will fall within a first range of numbers” as recited in Claim 1. (Emphasis added).

With respect to Claim 1, the Office Action cites another portion of *Simon* that describes different bets regarding a football game. (Office Action; page 3). For example, the cited portion of *Simon* explains that a user may wager on whether a drive will result in a “touchdown”, a “field goal”, a “safety”, or no score. (Col. 16, ll. 25-28). As another example, *Simon* explains that a bettor may predict the number of touchdowns (e.g., “two”) that will be scored in a particular quarter of a football game. (Col. 16, ll. 40-43). Merely predicting a specific number of points that will result from a drive or a specific number of touchdowns that will be scored in a quarter does not teach, suggest, or disclose a “a first range of numbers” or “a bet that the total number of units earned by a particular participant over a course of a plurality of events will fall within a first range of numbers” as recited in Claim 1. (Emphasis added).

In discussing the system of *Simon*, the Office Action states that “the only limit to the betting lines and its conditions is an administrator’s imagination.” (Office Action; page 3). By relying on the administrator’s “imagination”, the Office Action seems to admit that *Simon* does not teach, suggest, or disclose the “first type” of bet recited in Claim 1. Furthermore, this observation -- that the administrator could “imagine” different bets -- does not support the rejection under a theory of inherency. “In relying upon the theory of inherency, the examiner must provide a basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic necessarily flows from the teachings of the applies prior art.” *Ex parte Levy*, 17 USPQ2d 1461, 1464 (Bd. Pat. App. & Inter. 1990) (emphasis added). As the Examiner admits in the Office Action, the system in *Simon* allows users to place multiple different types of bets. Consequently, no single type of bet can properly be viewed as inherent to the teachings of *Simon* because alternative bets exist and no one type of bet necessarily flows from the teachings of *Simon*. Thus, *Simon* fails to teach, suggest, or disclose “receiving one or more first type of bets, each first type...comprising a bet that the total number of units earned by a particular participant over a course of a plurality of events will fall within a first range of numbers” as recited in Claim 1.

Second, *Simon* fails to teach, suggest, or disclose “determining the total number of units earned by the particular participant based at least in part on the positioning of the

particular participant in each of the plurality of events” as recited in Claim 1. The Office Action fails to address this element in discussing Claim 1. (Office Action; page 3). Applicants respectfully remind the Examiner that “[a]ll words in a claim must be considered in judging the patentability of that claim against the prior art.” MPEP § 2143.03 (citing *In re Wilson*, 424 F.2d 1382, 165 U.S.P.Q. 494, 496 (C.C.P.A. 1970)). Applicants note that, in discussing various dependent claims, the Office Action cites a portion of *Simon* that defines a sporting event. (Office Action; page 4). In particular, the cited portion of *Simon* states:

[A] series of repeating events with random outcomes can be considered a “sporting event.” Thus, the [game] can also be applied to longer term events, such as the standings in a sports league, the outcome of a tournament, or the outcome of a multi-game series (e.g., the seven game World Series in baseball).

(Col. 10, ll. 3-11). However, merely identifying the winner of a tournament, series, or league does not teach, suggest, or disclose “the *positioning* of the particular participant *in each of the plurality of events*” as recited in Claim 1. (Emphasis added). Thus, a bet that predicts which team will win a tournament, series, or league does not teach, suggest, or disclose “determining the total number of units earned by the particular participant based at least in part on the *positioning of the particular participant in each of the plurality of events*” as recited in Claim 1. (Emphasis added). Because *Simon* fails to teach, suggest, or disclose this aspect of Claim 1, the rejection is improper. For at least the foregoing reasons, Applicants respectfully request reconsideration and allowance of Claim 1.

In rejecting Claim 17, the Examiner employs the same rationale used to reject Claim 1. Accordingly, for reasons analogous to those stated above with respect to Claim 1, Applicants respectfully request reconsideration and allowance of Claim 17.

Claims 2-4, 6-13, 15-16 and 19-26 depend from independent claims shown above to be allowable. In addition, these claims recite further elements that are not taught, suggested, or disclosed by *Simon*. For example, *Simon* fails to teach, suggest, or disclose that “the number of units earned by the particular participant comprises the amount of money earned by the particular participant during the course of the plurality of events” as recited in Claim 2. In rejecting Claim 2, the Office Action states:

[T]he system offers betting events like: win, place and show that are considered ‘conventional’ lines that requires [sic] a player to guess the finishing positions of the horses in a race. When a player chooses ‘win’ the horse must come in first, ‘place’ requires the horse to come in first or second, and ‘show’ requires the horse to finish in one of the top three spots. Each winning position rewards the horse a different prize amount therefore the system can offer a wagering event based on the prize amount or purse as the second hierarchical level of a betting line.

(Office Action; page 4). Notably, *Simon* makes no reference to a bet on the prize amount that a horse wins in a given race. Thus, the Examiner seems to assert that such a bet is inherent in the teachings of *Simon*. The Examiner provides no evidence to support this assertion. As explained above, “[i]n relying upon the theory of inherency, the examiner must provide a basis in fact and/or technical reasoning to reasonably support the determination that the allegedly inherent characteristic *necessarily* flows from the teachings of the applies prior art.” *Ex parte Levy*, 17 USPQ2d 1461, 1464 (Bd. Pat. App. & Inter. 1990) (emphasis added). As the Examiner admits in the Office Action, the system in *Simon* allows users to place multiple different types of bets. Consequently, no single type of bet can properly be viewed as inherent to the teachings of *Simon* because alternative bets exist and no one type of bet necessarily flows from the teachings of *Simon*. Furthermore, even if *Simon* disclosed a bet on the prize amount that a horse wins in a particular event (which Applicants traverse), such a bet would fail to teach, suggest, or disclose a bet that the “amount of money earned by the particular participant during the *course of the plurality of events*” will fall “*within a first range of numbers*,” as recited in Claim 2 (depending from Claim 1). (Emphasis added). Thus, *Simon* fails to support the rejection of Claim 2. For at least the foregoing reasons, Applicants respectfully request reconsideration and allowance of Claims 2-4, 6-13, 15-16 and 19-26.

### **Section 103 Rejections**

Claim 14 was rejected under 35 U.S.C. § 103(a) as being unpatentable over *Simon*. Claims 5, 18, 28-34, 37-45 and 48-52 were rejected under 35 U.S.C. § 103(a) as being unpatentable over *Simon* in view of U.S. Patent No. 6,126,543 issued to Friedman (“*Friedman*”). Applicants traverse these rejections and respectfully request reconsideration and allowance of these claims.

The *Simon-Friedman* combination fails to teach, suggest, or disclose each element of Claim 28. For example, the cited references fail to teach, suggest, or disclose “receiving one or more participant bets, each participant bet...comprising a bet that the number of units earned by that participant over the course of the plurality of events will exceed a particular index number before the number of units earned by any other of the plurality of participants exceeds the particular index number” as recited in Claim 28. In the Office Action, the Examiner relies on *Friedman* for the “index number” recited in Claim 28. (Office Action; page 6). The cited portion of *Friedman* generally describes an over/under bet. (Col. 1, l. 66 – Col. 2, l. 6). Specifically, *Friedman* states:

Another type of straight bet is an over/under bet representing the total amount of points the two teams will score in the game. A bettor can bet that the teams will exceed or go over the over/under bet or go under the bet. Ties are usually considered pushes, with money returned. Over/under bets may be combined with money lines.

(Col. 1, l. 66 – Col. 2, l. 6). Thus, the Examiner seems to equate the “total amount of points” for the over/under bet in *Friedman* with the “particular index number” recited in Claim 28. A mere over/under bet on the “total amount of points” that two teams score in a game, however, does not teach, suggest, or disclose “a bet that the number of units earned by that participant over the course of the plurality of events will exceed a particular index number before the number of units earned by any other of the plurality of participants exceeds the particular index number” as recited in Claim 28. Applicants again remind the Examiner that “[a]ll words in a claim must be considered in judging the patentability of that claim against the prior art.” MPEP § 2143.03 (citing *In re Wilson*, 424 F.2d 1382, 165 U.S.P.Q. 494, 496 (C.C.P.A. 1970)). Because the cited references fail to teach, suggest, or disclose the foregoing aspects of Claim 28, the cited references fail to support the rejection. For at least these reasons, Applicants respectfully request reconsideration and allowance of Claim 28.

In rejecting Claim 42, the Examiner employs the same rationale used to reject Claim 28. Accordingly, for reasons analogous to those stated above with respect to Claim 28, Applicants respectfully request reconsideration and allowance of Claim 42.

Claims 5, 14, 18, 29-34, 37-41, 43-45, and 48-52 depend from independent claims shown above to be allowable. In addition, these claims recite further elements that are not taught, suggested, or disclosed by the cited references. For at least these reasons, Applicants

respectfully requests reconsideration and allowance of Claims 5, 14, 18, 29-34, 37-41, 43-45, and 48-52.

**Conclusions**

Applicants have made an earnest attempt to place this case in condition for allowance. For the foregoing reasons, and for other reasons clearly apparent, Applicants respectfully request full allowance of all pending Claims.

If the Examiner feels that a telephone conference or an interview would advance prosecution of this Application in any manner, the undersigned attorney for Applicants stands ready to conduct such a conference at the convenience of the Examiner.

No fees are believed to be due, however, the Commissioner is hereby authorized to charge any fees or credit any overpayments to Deposit Account No. 02-0384 of Baker Botts L.L.P.

Respectfully submitted,

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